

Exhibit E

Extension Attached

Form 990

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047

1997

This Form Is
Open to Public
Inspection

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 1997 calendar year, OR tax year period beginning

7/01

, 1997, and ending

6/30

, 1998

B Check if:

- Change of address
 Initial return
 Final return
 Amended return (required also for State reporting)

Please use IRS label or print or type. See Specific Instructions.

C

The Graduate School Of Figurative Art of
The New York Academy of Art
111 Franklin Street
New York, NY 10013

D Employer identification number

13-3643485

E State registration number

NY029597

F Check if exemption application is pendingG Type of organization ► Exempt under section 501(c)(3) (insert number) OR ► section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ►

(b) If "Yes," enter the number of affiliates for which this return is filed: ►

(c) Is this a separate return filed by an organization covered by a group ruling? Yes NoJ Accounting method: Cash Accrual
 Other (specify) ►K Check here ► if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 11.)

1 Contributions, gifts, grants, and similar amounts received:	1a	2,866,330
a Direct public support	1b	
b Indirect public support	1c	
c Government contributions (grants)		
d Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ 2,361,734 noncash \$ 504,596).....	See Statement 1.	1d 2,866,330
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,232,105
3 Membership dues and assessments	3	
4 Interest on savings and temporary cash investments	4	5,655
5 Dividends and interest from securities	5	
6a Gross rents	6a	59,323
b Less: rental expenses	6b	54,935
c Net rental income or (loss) (subtract line 6b from line 6a).....	6c	4,388
7 Other investment income (describe))	7	
8a Gross amount from sale of assets other than inventory....	(A) Securities	(B) Other
b Less: cost or other basis and sales expenses	8a	
c Gain or (loss) (attach schedule)	8b	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	
9 Special events and activities (attach schedule)	8d	
a Gross revenue (not including \$ _____ of contributions reported on line 1a).....	9a	
b Less: direct expenses other than fundraising expenses	9b	
c Net income or (loss) from special events (subtract line 9b from line 9a).....	9c	
10a Gross sales of inventory, less returns and allowances.....	10a	
b Less: cost of goods sold	10b	
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
11 Other revenue (from Part VII, line 103).....	11	1,562
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11).....	12	4,110,040
13 Program services (from line 44, column (B)).....	13	743,671
14 Management and general (from line 44, column (C)).....	14	1,569,163
15 Fundraising (from line 44, column (D)).....	15	68,260
16 Payments to affiliates (attach schedule)	16	
17 Total expenses (add lines 16 and 44, column (A))	17	2,381,094
18 Excess or (deficit) for the year (subtract line 17 from line 12).....	18	1,728,946
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	935,654
20 Other changes in net assets or fund balances (attach explanation)	20	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	2,664,600

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 18.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att. sch.)..... (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att. sch.).....	23			
24 Benefits paid to or for members (att. sch.).....	24			
25 Compensation of officers, directors, etc.....	25	89,273		89,273
26 Other salaries and wages	26	653,193	240,250	412,943
27 Pension plan contributions	27	17,168	5,250	11,918
28 Other employee benefits	28			
29 Payroll taxes	29	102,765	33,841	68,924
30 Professional fundraising fees.....	30			
31 Accounting fees.....	31	23,537		23,537
32 Legal fees	32	164,016		164,016
33 Supplies	33	45,552	15,958	29,594
34 Telephone.....	34	15,905		15,905
35 Postage and shipping	35	13,931		13,931
36 Occupancy	36	212,883		212,883
37 Equipment rental and maintenance.....	37	9,006		9,006
38 Printing and publications.....	38	68,476	67,062	1,414
39 Travel	39	26,149	26,149	
40 Conferences, conventions, and meetings	40			
41 Interest	41	47,432		47,432
42 Depreciation, depletion, etc. (attach schedule)	42	117,683		117,683
43 Other expenses (itemize): a See Stmt . 2	43a	774,125	355,161	350,704
b _____	43b			68,260
c _____	43c			
d _____	43d			
e _____	43e			
44 Total functional expenses (add lines 22 thru 43) Organizations completing columns (B)-(D), carry these totals to lines 13 - 15..	44	2,381,094	743,671	1,569,163
				68,260

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?

If "Yes," enter: (I) the aggregate amount of these joint costs \$ _____ ; (II) the amount allocated to Program services \$ _____ ; (III) the amount allocated to Management and general \$ _____ ; and (IV) the amount allocated to Fundraising \$ _____ ;

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 18.)

What is the organization's primary exempt purpose? ► Education

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

a The Academy offered classes to approximately 110 full & part time students working towards a Master of Fine Arts degree in figurative art. The Academy also offers cont. ed.

(Grants and allocations \$ _____)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)

743,671

b _____	(Grants and allocations \$ _____)
c _____	(Grants and allocations \$ _____)
d _____	(Grants and allocations \$ _____)
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	► 743,671

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Part IV**Balance Sheets (See Specific Instructions on page 18.)**

			(A) Beginning of year		(B) End of year
ASSETS	45 Cash - non-interest-bearing		209,032	45	430,968
	46 Savings and temporary cash investments			46	
	47a Accounts receivable	47a 34,228			
	b Less: allowance for doubtful accounts	47b	15,070	47c	34,228
	48a Pledges receivable	48a 1,130,514			
	b Less: allowance for doubtful accounts	48b		48c	1,130,514
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach sch)			50	
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges		20,173	53	22,760
	54 Investments - securities (attach schedule)			54	
	55a Investments - land, buildings, and equipment: basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b		55c	
	56 Investments - other (attach schedule)			56	
	57a Land, buildings, and equipment: basis	57a 3,101,917			
	b Less: accumulated depreciation (attach schedule) <i> Stmt. 3</i>	57b 511,977	2,631,016	57c	2,589,940
	58 Other assets (describe ► <i>See Statement 4</i>)		257,604	58	250,553
	59 Total assets (add lines 45 through 58) (must equal line 74)				
LIABILITIES	60 Accounts payable and accrued expenses		3,132,895	59	4,458,963
	61 Grants payable		197,505	60	184,735
	62 Deferred revenue			61	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			62	
	64a Tax-exempt bond liabilities (attach schedule)			63	
	b Mortgages and other notes payable (attach schedule)			64a	
	65 Other liabilities (describe ► <i>See Statement 5</i>)		1,899,075	64b	1,406,915
	66 Total Liabilities (add lines 60 through 65)		100,661	65	202,713
NET ASSETS OR FUND BALANCES	66 Total Liabilities (add lines 60 through 65)		2,197,241	66	1,794,363
	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted		881,180	67	1,426,060
	68 Temporarily restricted		54,474	68	32,463
	69 Permanently restricted			69	1,206,077
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds			70	
	71 Paid-in or capital surplus, or land, building, and equipment fund			71	
	72 Retained earnings, endowment, accumulated income, or other funds			72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)		935,654	73	2,664,600
	74 Total Liabilities and net assets/fund balances (add lines 66 and 73)		3,132,895	74	4,458,963

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 20.)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total revenue, gains, and other support per audited financial statements	► a 4,110,040	a Total expenses and losses per audited financial statements	► a 2,381,094
b Amounts included on line a but not on line 12, Form 990:		b Amounts included on line a but not on line 17, Form 990:	
(1) Net unrealized gains on investments..... \$		(1) Donated services and use of facilities ... \$	
(2) Donated services and use of facilities . \$		(2) Prior year adjustments reported on line 20, Form 990..... \$	
(3) Recoveries of prior year grants..... \$		(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify): _____ \$		(4) Other (specify): _____ \$	
Add amounts on lines (1) through (4)..... ► b		Add amounts on lines (1) through (4)	► b
c Line a minus line b	► c 4,110,040	c Line a minus line b..... ► c 2,381,094	
d Amounts included on line 12, Form 990 but not on line a:		d Amounts included on line 17, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990... \$		(1) Investment expenses not included on line 6b, Form 990..... \$	
(2) Other (specify): _____ \$		(2) Other (specify): _____ \$	
Add amounts on lines (1) and (2)..... ► d		Add amounts on lines (1) and (2). ► d	
e Total revenue per line 12, Form 990 (line c plus line d)..... ► e 4,110,040		e Total expenses per line 17, Form 990 (line c plus line d) ► e 2,381,094	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 20.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Russell Wilkinson New York, NY 10003	Chairman None	0	0	0
Margot Gordon New York, NY 10021	Vice President None	0	0	0
Randy Lerner New York, NY 10003	Treasurer None	0	0	0
Dennis Smith Southampton, NY 11968	Secretary None	0	0	0
Bruce Ferguson New York, NY	President 40	89,273	9,000	0
Kim Kohl New York, NY	Controller 40	50,567	5,249	0
David Davidson New York, NY	VP Academic A 40	51,400	5,140	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ► Yes No
If "Yes," attach schedule - see Specific Instructions on page 20.

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Part VI Other Information (See Specific Instructions on page 21.)

Question	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.....	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.....	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization ► N/A		
81a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81. and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.	81a	0
b Did the organization file Form 1120-POL for this year?	81b	X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b	N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations. - a Were substantially all dues nondeductible by members?	85a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members.....	85c	N/A
d Section 162(e) lobbying and political expenditures.....	85d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) organizations. - Enter:		
a Initiation fees and capital contributions included on line 12	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87 501(c)(12) organizations. - Enter: a Gross income from members or shareholders	87a	N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them).	87b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX.	88	X
89a 501(c)(3) organizations. - Enter: Amount of tax imposed during the year under: section 4911 ► 0 ; section 4912 ► 0 ; section 4955 ► 0	89b	X
b 501(c)(3) and 501(c)(4) organizations. - Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction.		
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		0
d Enter: Amount of tax in 89c, above, reimbursed by the organization		0
90a List the states with which a copy of this return is filed ► New York		0
b Number of employees employed in the pay period that includes March 12, 1997 (See Instructions).	90b	
91 The books are in care of ► The Organization Located at ► 111 Franklin St New York, NY		Telephone no. ► 212-966-0300
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	ZIP + 4 ► 10013	► □
	► 92	N/A

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Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 25.)

Enter gross amounts unless otherwise indicated.

	Unrelated business income		(D) Amount	(E) Related or exempt function income
	(A) Business code	(B) Amount		
93 Program service revenue:				
a Tuition & Fees				1,232,105
b				
c				
d				
e				
f Medicare/Medicaid payments				
g Fees and contracts from government agencies				
94 Membership dues and assessments				
95 Interest on savings & temporary cash investments				
96 Dividends and interest from securities				
97 Net rental income or (loss) from real estate:				
a debt-financed property	6577	4,388		
b not debt-financed property				
98 Net rental income or (loss) from personal property				
99 Other investment income				
100 Gain/loss from sales of assets other than inventory				
101 Net income or (loss) from special events				
102 Gross profit or (loss) from sales of inventory				
103 Other revenue: a Miscellaneous			3	1,562
b				
c				
d				
e				
104 Subtotal (add columns (B), (D), and (E))		4,388	1,562	1,237,760
105 Total (add line 104, columns (B), (D), and (E))				1,243,710

Note: (Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.)

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 26.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Tuition received is utilized for the sole purpose of supporting the graduate program and continuing education programs.

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on line 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
N/A	%			
	%			
	%			
	%			

return, including accompanying schedules and statements, and to the best of my knowledge, the information contained in this return and statement of preparer (other than officer) is based on all information of which preparer

101.09.99 ND E

**SCHEDULE A
(Form 990)**Department of the Treasury
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

Supplementary Information

See separate instructions.

1997

► Must be completed by the above organizations and attached to their Form 990 (or 990-EZ).

Name of the organization The Graduate School Of Figurative Art of
The New York Academy of ArtEmployer identification number
13-3643485**Part I****Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See instructions on page 1. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ►	0			

Part II**Compensation of the Five Highest Paid Independent Contractors for Professional Services**
(See instructions on page 1. List each one (whether individuals or firms.) If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Littman Krooks Roth & Ball P.C. 655 Third Avenue NY NY 10017	Legal	88,000
Paul, Weiss, Rifkind, Wharton & Garrison 1285 Avenue of the Americas NY NY10019	Legal	70,000
Total number of others receiving over \$50,000 for professional services	0	

Total number of others receiving over \$50,000 for professional services

For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990) 1997

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 Schedule A (Form 990) 1997 The New York Academy of Art

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Part III Statements About Activities

		Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1		X
If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities. ► \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary?			
a Sale, exchange, or leasing of property?	2a	X	
b Lending of money or other extension of credit?	2b	X	
c Furnishing of goods, services, or facilities?	2c	X	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Form 990., Part V	2d	X	
e Transfer of any part of its income or assets?	2e	X	
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	X	
4 Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.)			

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

The organization is not a private foundation because it is: (Please check only ONE applicable box):

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 4.)
 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(iv).
 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(v). Enter the hospital's name, city, and state
 ►
 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vii). (Also complete the Support Schedule in Part IV-A.)
 11b A community trust. Section 170(b)(1)(A)(viii). (Also complete the Support Schedule in Part IV-A.)
 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions--subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 508(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

(a) Name(s) of supported organization(s)	(b) Line number from above
_____	_____
_____	_____
_____	_____
_____	_____

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions on page 4.)

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 Schedule A (Form 990) 1997 The New York Academy of Art

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Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ►	(a) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	N/A				
16 Membership fees received.					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a sch. Do not include gain or (loss) from sales of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described in lines 10 or 11:	a Enter 2% of amount in column (e), line 24. N/A ► 26a				
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a government unit or publicly supported organization) whose total gifts for 1993 through 1996 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts ► 26b					
c Total support for section 509(a)(1) test: Enter line 24, column (e) ► 26c					
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ► 26d					
e Public support (line 26c minus line 26d total) ► 26e					
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ► 26f %					
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: N/A (1998) _____ (1995) _____ (1994) _____ (1993) _____				
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of all these differences (the excess amounts) for each year: (1998) _____ (1995) _____ (1994) _____ (1993) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ► 27c					
d Add: Line 27a total and line 27b total ► 27d					
e Public support (line 27c total minus line 27d total) ► 27e					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ► 27f \$					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ► 27g %					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ► 27h %					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1993 through 1996, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.) N/A					

The Graduate School Of Figurative Art of
 Schedule A (Form 990) 1997 The New York Academy of Art

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Part IV Private School Questionnaire (See instructions on page 4.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	X
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	X
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	X
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) <u>Place a statement of nondiscriminatory policy in advertisements, school catalogue, faculty handbook and orientation handbook.</u>		
32 Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	X
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	X
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	X
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	X
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to: a Students' rights or privileges?	33a	X
b Admissions policies?	33b	X
c Employment of faculty or administrative staff?	33c	X
d Scholarships or other financial assistance?	33d	X
e Educational policies?	33e	X
f Use of facilities?	33f	X
g Athletic programs?	33g	X
h Other extracurricular activities?	33h	X
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	X
b Has the organization's right to such aid ever been revoked or suspended?	34b	X
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-60, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	X

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Page 5

Lobbying Expenditures by Electing Public Charities (See instructions on page 8.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check here ► a if the organization belongs to an affiliated group.

Check here ▶ b if you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

Line	Total	For ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying).....	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures.....	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is -	The lobbying nontaxable amount is -	
Not over \$500,000	20% of the amount on line 40	}
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000....	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000... .	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000.....	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41).....	42	
43 Subtract line 42 from line 38. Enter -0- if line 42 is more than line 36.....	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.....	44	

Caution: If there is an amount on either line 43 or line 44, file Form 4720.

4-Year Averaging Period Under Section 501(b)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50 on page 2.)

		Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►		(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
45 Lobbying nontaxable amount						
46 Lobbying ceiling amount (150% of line 45(e)).						
47 Total lobbying expenditures						
48 Grassroots nontaxable amount						
49 Grassroots ceiling amount (150% of line 48(e)).						
50 Grassroots lobbying expenditures.						

Lobbying Activity by Nonelecting Public Charities N/A

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 7.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers.....
 - b Paid staff or management (Include compensation in expenses reported on lines c through h.)
 - c Media advertisements.....
 - d Mailings to members, legislators, or the public
 - e Publications, or published or broadcast statements
 - f Grants to other organizations for lobbying purposes.....
 - g Direct contact with legislators, their staffs, government officials, or a legislative body
 - h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means.....
 - i Total lobbying expenditures (add lines c through h)

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

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Schedule A (Form 990) 1997 The New York Academy of Art

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Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash

- (ii) Other assets

- Other transactions:**

- (f) Sales of assets to a noncharitable exempt organization**

- (ii) Purchases of assets from a noncharitable exempt organization.

- (ii) Rental of facilities or equipment.

- (iv) Reimbursement arrangements.....

- (iv) Reimbursement arrangements.....
(v) Loans or loan guarantees.....

- (v) Loans or loan guarantees
(vi) Performance of services

- (vii) Performance of services or membership or fundraising solicitations

- Sharing of facilities, equipment, mailing lists, other assets, or paid employees**

- If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value.

- of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or shelter arrangement, the value of the transaction or arrangement should be zero.

- In any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
51a(i)	X	
a(ii)	X	
b(i)	X	
b(ii)	X	
b(iii)	X	
b(iv)	X	
b(v)	X	
b(vi)	X	
c	X	

- g. In column (d), show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

- 52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

b If "Yes," complete the following schedule.

▶ □ Yes No

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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Client 3130:

13-3643485

Statement 2
Form 990, Part II, Line 43
Other Expenses

Other Expenses	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Student Aid & Svcs	\$ 152,095	152,095		
Model Fees	56,026	56,026		
Outside Labor	56,264	56,264		
Library	77,251	77,251		
Consulting Fees	8,252			
Honoraria & Lecturers	5,175	5,175		8,252
Insurance	19,099	8,350		10,749
Credit Card Charges	6,364			6,364
Payroll Processing	2,987			2,987
Messengers	992			992
Bank Charges	490			490
Loss on donated property	2,025			2,025
Office Expense	21,006			21,006
Miscellaneous	12,989			12,989
Repairs & Maintenance	15,999			15,999
Other Fundraising Costs	75,234			
Allocated Rental Expenses	-54,935			75,234
Other Professional Fees	2,812			-6,974
Legal Settlement	314,000			314,000
Total	\$ 774,125	355,161	350,704	68,260

Statement 3
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Asset	Basis	Accumulated Depreciation	Book Value
Furniture and fixtures	\$ 30,469	5,537	24,932
Machinery and equipment	152,660	109,323	43,337
Buildings	1,317,845	148,257	1,169,588
Improvements	1,271,482	248,860	1,022,622
Land	329,461		329,461
Total	\$ 3,101,917	511,977	2,589,940

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Client 3130

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Statement 4
Form 990, Part IV, Line 58
Other Assets

	Ending
Deferred Mortgage Expenses	\$ 21,152
Donated Assets	229,400
Rounding	1
Total	\$ 250,553

Statement 5
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

	Balance Due
Mortgages Payable	-----
Marine Midland Bank	\$ 838,915
Marine Midland Bank	118,000
Other Notes Payable	\$ 956,915
Lender's Name:	The Lindbury Trust
Date of Note:	8/01/93
Maturity Date:	8/01/03
Repayment Terms:	None
Interest Rate:	6.5%
Purpose of Loan:	Working Capital
Original Amount:	100,000
Balance Due:	\$ 100,000
Lender's Name:	The Lindburtt trust
Date of Note:	12/01/93
Maturity Date:	12/01/03
Repayment Terms:	None
Interest Rate:	6.5%
Purpose of Loan:	Working Capital
Original Amount:	100,000
Balance Due:	100,000
Lender's Name:	The Lindbury Trust

1997

Client 3130-

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Statement 5 (Continued)
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Date of Note:	2/01/94	
Maturity Date:	2/01/04	
Repayment Terms:	None	
Interest Rate:	6.5%	
Purpose of Loan:	Working Capital	
Original Amount:	150,000	
Balance Due:		\$ 150,000
Lender's Name:	Michael Baum	
Date of Note:	8/01/98	
Maturity Date:	4/01/00	
Repayment Terms:	Monthly	
Original Amount:	100,000	
Balance Due:		100,000
		\$ 450,000
	Total	\$ 1,406,915
		=====

Statement 6
Form 990, Part IV, Line 65
Other Liabilities

Deferred Interest Payable	Ending
Deferred Rental Income	\$ 113,854
Unearned Tuition Income	12,000
	76,859
Total	\$ 202,713
	=====

Form 2758

(Rev. May 1995)

Department of the Treasury
Internal Revenue ServiceApplication for Extension of Time To File
Certain Excise, Income, Information, and Other Returns

JAN 4 1999

OMB No. 1545-0148

Please type or print. File the original and one copy by the due date for filing your return. See instructions on back.

Name THE GRADUATE SCHOOL OF FIGURATIVE ART OF THE
NEW YORK ACADEMY OF ART
Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

Employer identification number
13-3643485

111 Franklin Street

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

New York, NY 10013

02/16/99

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8738 to request an extension of time to file Form 1065, 1066, or 1041.

- 1 I request an extension of time until 2/15, 1999 to file (check only one):
- | | | | |
|--|--|--|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D) | <input type="checkbox"/> Form 990-T (401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (4951 taxes) | <input type="checkbox"/> Form 8812 |
| <input type="checkbox"/> Form 706-GS(T) | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 3520-A | <input type="checkbox"/> Form 8813 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see Instructions) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6227 | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1042 | <input type="checkbox"/> Form 8069 | <input type="checkbox"/> Form 8831 |
- If the organization does not have an office or place of business in the United States, check this box
- 2a For calendar year 1998, or other tax year beginning 7/1/97 and ending 6/30/98
- b If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 3 Has an extension of time to file been previously granted for this tax year? Yes No
- 4 State in detail why you need the extension All necessary information not yet received by organization
- 5a If this form is for Form 706-GS(D), Form 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 8069, 8812, 8813, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See Instructions. \$ 0
- b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 0
- c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. \$ 0
See instructions

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

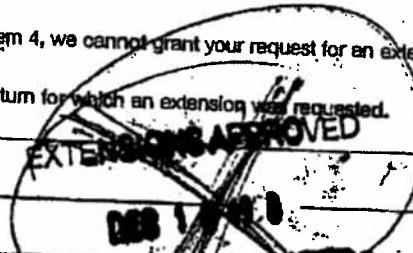
Signature ► Leah Lippman CPATitle ► ActingDate ► 11-13-98

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS

- We HAVE approved your application. Please attach this form to your return.
- We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- We HAVE NOT approved your application. After considering the reasons stated in Item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- Other: _____

By: _____



Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address where the copy should be sent.

Please Type or Print	Name <u>Greve Schmidt & Trageser CPA PC</u> Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) <u>485 Jericho Tpke</u> City, town or post office, state, and ZIP code. For a foreign address, see instructions. <u>Mineola, NY 11501</u>
	EXTENSIONS APPROVED

KFA For Paperwork Reduction Act Notice, see back of form.

DEBORAH DECKER, DIRECTOR
OGDEN SERVICE CENTER
Rev. 5-95

Exhibit F

The First Manhattan Group Inc.
20 West 20th Street 2nd Floor
New York, New York 10011
212-822-8526 (Fax) 212-686-4434

EMPLOYMENT CONTRACT

This Employment Agreement (The Agreement) Dated May 20, 2003 is between The New York Academy of Art (The Academy) 111 Franklin Street, New York, New York 10013 an Educational Corporation chartered under the laws of the State of New York, and The First Manhattan Group Inc. 20 West 20th Street New York, New York 10011 (The Group) a Corporation formed under the laws of the State of New York..

1: Parties to the Agreement: The Academy will employ, and the Group will assign Robert Angona (Angona) to perform the services under the terms and conditions outlined below.

2: Employment Period: The Academy hereby agrees to employ and continue to employ Angona through the Group, and Angona through the assignment of the Group accepts such employment for a period of (24) Twenty Four Months Effective July 1, 2003 to June 30, 2005.

3: Duties: Angona during the period of Employment Shall serve as Controller of the Academy, and perform such services and such other services at the direction of the Executive Director and the Board of Trustees as are consistent with the policy's and By-Laws of the Academy and are typically performed by the Controller of Institutions similar to the Academy.

4: Full Time Employment: Angona agrees to devote his full professional Time to the business and affairs of the Academy and perform faithfully the responsibilities assigned to him, except that Angona may engage in work and professional activities for which he may receive fees or remuneration , so long as these activities are unrelated to the Academy and do not materially impact or interrupt Angona's duties to the Academy. It is understood that Angona shall spend the aggregate of no more than 60 days per annum away from the Academy on such activities. Angona in performing such duties will not engage and the Academy, Its Officers, or Trustees will not cause Angona to perform any act that Angona deems as contrary or in violation of any Accounting Standard, Rule or Laws. In addition Angona may serve on Corporate, and Civic Boards and Committees.

5: Compensation:

- (A) **Base Fees:** During the period of employment the Academy shall pay to the Group the Sum of One Hundred Twenty Five Thousand Dollars (\$125,000.00 for the First Year, July 1, 2003 through June 30, 2004. The group shall invoice the Academy on the First (1st) and the Fifteenth (15th) day of each Month in the Amount of \$5,208.34 and the Academy shall pay the Group upon receipt of the invoice. During the period of employment the Academy shall pay a 5% increase or \$131,250.00 for the second year July 1, 2004 through June 30, 2005. The Group shall invoice the Academy on the First (1st) and Fifteenth (15th) day of each month in the amount of \$5,468.75. The Academy shall pay the Group upon receipt of the invoice.
- (B) **Benefits:** During the period of employment Angona shall be eligible to participate in, subject the terms and conditions thereof, all pension, medical, dental, Group Life Insurance, and Bonus Programs of the Academy. Angona shall be given credit for time previously worked at the Academy from February 15, 2002 to satisfy any time requirement for participation in such programs. Angona shall be entitled to Two weeks Vacation, Five Sick Days and Five Personal days per year during the period of Employment.
- (C) **Expenses:** During the period of employment Angona shall be entitled to receive prompt reimbursement for all expenses incurred by him.

6: Termination of Employment.

- (A) **Termination by the Academy:** This Agreement shall terminate on June 30, 2005 or at which time as the services of Angona and/or the Group are without purpose, in which case all compensation under Section 5 will become due and payable.
- (B) **Termination by Mutual Agreement.** This Agreement may terminate upon mutual agreement upon which Angona and/or the Group will be paid in one lump sum Angona's then current Base Salary for the remainder of the contract term together with an amount equal to 10% of the remaining contract amount.
- (C) **Termination Due to Death or Disability:** This Agreement shall terminate automatically upon Angona's Death or Disability, in which case the Academy shall pay to Angona and/or the Group in one lump sum Angona's current Base Salary for the remainder of the Contract term or twelve (12) months, whichever is longer. For purpose of this Agreement, Angona's disability shall occur and shall be deemed to have occurred in the event that he suffers a disability due to illness or injury which substantially and materially limits him from performing the function of his job, even with reasonable accommodation.

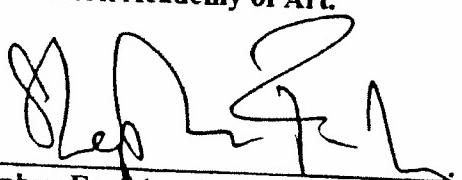
(D) **Termination by Angona for Good Cause:** Angona shall have the right to terminate his employment for "Good Cause". For the purpose of this agreement "Good Cause." Shall mean: (1) The assignment to Angona by the Academy of any duties materially inconsistent with or the diminution of Angona's positions, titles, offices, duties and responsibilities with the Academy; (2) a reduction by the Academy in the Angona,s base salary or any other compensation provided for in this Agreement; (3) the failure by the Academy to continue in effect any material benefit or compensation plan to which Angona is entitled; (4) the failure of the Academy to obtain the explicit assumption in writing of its obligation to perform this Agreement by any successor in the event of a change of control or merger or dissolution; (5) a change of Angona,s place of employment from New York County, New York without Angona's written consent; (6) acts or request by the Academy that Angona and/or the Group deems as contrary or in violation of any Accounting Professional Rule or Laws or; (7) any other material and adverse change in Angona's conditions of employment imposed on him by the Academy. In the event of Termination by Angona for Good Cause the Academy shall pay to Angona and/or the Group in one lump sum Angona's then current Base Salary for the remainder of the Contract Term or Twelve (12) Months, whichever is longer together with an amount equal to 10% of the remainining contract amount, following Angona's actual separation date, as well as any then accrued portion of Angona,s Benefits.

Upon termination of this Agreement for any reason provided above; in addition to the above payments if any, Angona shall be entitled to receive all compensation earned and all benefits and reimbursements due through the effective date of termination. In addition, in the event of termination of this Agreement pursuant to Paragraphs 6(A), 6(C), or 6(D), Angona's participation (including participation of spouse and/or children if applicable) in all benefit programs established by the Academy shall continue as before termination during the period for which the Base Salary is required to be paid by the Academy pursuant to such paragraphs, as if Angona continued to be employed by the Academy during such period. In the event any such benefit program is by law not available to non-employees, the Academy will provide a compensation benefit to Angona during such period. All other rights and obligations of the Academy and Angona under this Agreement shall cease as of the effective date of termination.

The parties hereto having full power and authority to execute this Agreement have on this 20th Day of May 2003 set their signatures below.

The New York Academy of Art.

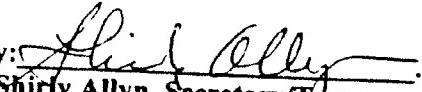
By:



Stephen Farthing, Executive Director

The First Manhattan Group Inc.

By:



Shirley Allyn, Secretary/Treasurer

By:



Robert Angona, (Individually)

Exhibit G